

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1203 - HB 1529

March 5, 2021

SUMMARY OF BILL: Authorizes the city of Jacksboro in Campbell County to levy a privilege tax up to two percent of the payments charged at restaurants with total sales of \$200,000 or more a year. Exempts food served at churches, senior citizen centers, nursing homes, and boarding houses where the cost of food is included in the rental rate or sale of alcoholic beverages in any form, manner, time or place. Requires all proceeds from the privilege tax levied to be used for the payment of debt incurred by the city for capital outlay purposes. Repeals this authorization on July 1, 2031.

ESTIMATED FISCAL IMPACT:

Increase Local Revenue –

Exceeds \$18,000/FY21-22/Permissive/Jacksboro

Exceeds \$36,000/Each Year FY22-23 through FY30-31/Permissive/Jacksboro

Assumptions:

- It is assumed that the city of Jacksboro will levy the full two percent tax, and that the FY21-22 impact will be half of the full annual impact, to allow time for the city to pass and levy the tax as described in the proposed legislation.
- It is estimated that there are three restaurants over the \$200,000 gross sales minimum.
- It is further estimated that these three restaurants average at least \$600,000 of gross sales a year, or a total exceeding \$1,800,000 (\$600,000 x 3).
- The total increase in local revenue to the city of Jacksboro in FY21-22 is estimated to exceed \$18,000 $[(\$1,800,000 \times 2\%) / 2]$ and exceed \$36,000 $(\$1,800,000 \times 2\%)$ in each fiscal year FY22-23 through FY30-31.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic".

Bojan Savic, Interim Executive Director

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